

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2055H.01I
Bill No.: HB 906
Subject: Health Care Professionals; Health and Senior Services, Department of
Type: Original
Date: March 9, 2021

Bill Summary: This proposal establishes a grant program for primary care physicians working and residing in rural counties.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue*	More than or Less than (\$272,522)	More than or Less than (\$277,592)	(More than or Less than (\$278,336)
Total Estimated Net Effect on General Revenue	More than or Less than (\$272,522)	More than or Less than (\$277,592)	(More than or Less than (\$278,336)

*Program is subject to appropriation. Oversight used a similar program - the Federal State Loan Repayment Program (SLRP) already in the DHSS to estimate the number of grantees (20) receiving the \$10,000 annual award (actual count could vary substantially).

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Rural Primary Care Physician Grant*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Oversight assumes Transfers-In and expenditures (grants) would net to zero
Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
Total Estimated Net Effect on FTE	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§191.620 – Primary care physician grant program

Officials from the **Department of Health and Senior Services (DHSS)** state the proposed legislation would create a new grant program for rural primary care physicians. The legislation also creates a new fund “Rural Primary Care Physician Grant Program Fund” which shall consist of the moneys appropriated for the new grant program. Section 191.620.2 of the proposed legislation provides that grants will be made “on the basis of available funds.” The DHSS does not have an estimate for the funding that would be appropriated to the program for the purpose of providing grant funds to rural primary care physicians.

DHSS estimates assume that funding will be appropriated. The minimum staffing DHSS estimates that will be needed to administer the new grant program is one (1) FTE. The FTE will be required to implement and manage the program and to develop grant agreements as required by the legislation. The position would be classified as a Public Health Program Specialist, with an estimated salary of \$44,235 based on the average annual salary of the position in the Division of Community and Public Health as of January 2021. Staffing level needs will increase depending on the amount appropriated for grants.

Oversight assumes DHSS would not need additional rental space for one new FTE for this single proposal. However, Oversight notes, depending on the number of proposals passed during the legislative session that, cumulatively, DHSS may need additional rental space or capital improvements as determined by the Office of Administration, Facilities Management, Design and Construction.

Oversight assumes DHSS would not implement this program if no funds are appropriated to the Rural Primary Care Physician Grant Program Fund and will, therefore, range costs from \$0 or the amount provided by DHSS, less rental space costs.

Oversight notes DHSS states, this program, if enacted, is very similar to the federal State Loan Repayment Program (SLRP) already in the DHSS. According to the DHSS 2022 budget request, the Health Professional State Loan Repayment Program (SLRP) provides educational loan repayment to practicing medical, dental, health, and mental health professionals in exchange for service in Missouri areas with a shortage of health professionals. The SLRP grant requires one dollar of state funds for each dollar of federal funds. Awards for the SLRP were 16 in FY 18; 20 in FY 19; 26 in FY 20; and are projected to be 20 for each FY 21, 22 and 23. For fiscal note purposes, Oversight will utilize the same number of applicants (20) for this program for an annual cost for grants of \$200,000 (20 x \$10,000).

Officials from the **Department of Commerce and Insurance** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State** notes many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to Secretary of State's office for Administrative Rules is less than \$5,000. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, they also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, they reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Office of the State Treasurer** did not respond to **Oversight's** request for a statement of fiscal impact.

<u>FISCAL IMPACT –</u> <u>State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE FUND			
Transfer Out- to the Rural Primary Care Physician Grant Program Fund	More than or Less than (\$200,000)	More than or Less than (\$200,000)	More than or Less than (\$200,000)
<u>Costs – DHSS</u> (\$191.620)	...		
Personal service	(\$36,863)	(\$44,677)	(\$45,124)
Fringe benefits	(\$22,391)	(\$27,019)	(\$27,169)
Equipment & expense	(\$13,268)	(\$5,896)	(\$6,043)
<u>Total Costs - DHSS</u>	<u>\$0 or (Unknown</u> <u>greater than \$72,522)</u>	<u>\$0 or (Unknown</u> <u>greater than \$77,592)</u>	<u>\$0 or (Unknown</u> <u>greater than \$78,336)</u>
FTE Change - DHSS	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	More than or Less than (\$272,522)	More than or Less than (\$277,592)	(More than or Less than (\$278,336)
Estimated Net FTE Change on the General Revenue Fund	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE

RURAL PRIMARY CARE PHYSICIAN GRANT PROGRAM			
Transfer In – from General Revenue	More than or Less than (\$200,000)	More than or Less than (\$200,000)	More than or Less than (\$200,000)
Expense – Grant program	More than or Less than (\$200,000)	More than or Less than (\$200,000)	More than or Less than (\$200,000)
ESTIMATED NET EFFECT ON THE RURAL PRIMARY CARE PHYSICIAN GRANT PROGRAM	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

This proposal could create more small business physician offices within rural counties or increase the ability of current small business physician offices to provide more services to residents.

FISCAL DESCRIPTION

This bill establishes a rural primary care physician grant program as an incentive for physicians to practice and reside in rural counties. The grant requires a written agreement with the Department of Health and Senior Services stipulating that the physician agrees to reside and practice as a primary care physician in a rural county for 5 continuous years and the state will pay a grant of \$10,000 annually for the 5 years contingent upon appropriation of funds. If a physician receiving the grant breaches the agreement penalties will be accessed as outlined in the bill.

The bill creates the "Rural Primary Care Physician Grant Program Fund", to fund the grants and administer the program. The fund is subject appropriations.

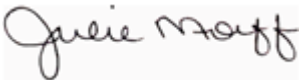
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

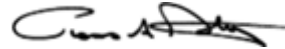
Department of Commerce and Insurance
Department of Health and Senior Services
Joint Committee on Administrative Rules
Office of the Secretary of State

NOT RESPONDING

Office of the State Treasurer



Julie Morff
Director
March 9, 2021



Ross Strobe
Assistant Director
March 9, 2021